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News Release

FOUR OPERATORS OF NEW JERSEY COMPANY ADMIT ILLEGALLY SELLING NATIONAL-SECURITY SENSITIVE ITEMS TO CHINA *-- Some of the technology destined for Chinese state entity suspected of WMD development --*

NEWARK, N.J. -- Four company owner/operators of a Mount Laurel business pleaded guilty today to charges that they used their business to illegally transfer sensitive national security controlled items to state-sponsored research institutes within the People's Republic of China, U.S. Attorney Christopher J. Christie announced.

Manten Electronics, Inc., president Xu Weibo, a/k/a "Kevin Xu," 38; purchasing agent Xiu Ling Chen, a/k/a "Linda Chen," 34, (wife of Kevin Xu); vice president Hao Li Chen, a/k/a "Ali Chan," 29, (brother of Linda Chen); and company controller Kwan Chun Chan, a/k/a "Jenny Chan," 29, (wife of Ali Chan), all of Mount Laurel, entered their pleas before U.S. District Judge Joseph A. Greenaway, Jr., in federal court in Newark. All of the defendants are naturalized U.S. citizens.

Xu Weibo pleaded guilty to a three-count Information charging one count of conspiracy to violate the Export Administration Act and the Arms Export Control Act, and one count each of violating the Export Administration Act and the Arms Export Control Act. Xiu Ling Chen, Hao Li Chen, and Kwan Chun Chan each pleaded guilty to one-count Information charging conspiracy to violate United States export laws, namely the Export Administration Act and the Arms Export Control Act. Sentencing is scheduled for February 6.

The defendants also agreed as part of their plea agreements to forfeit \$391,337, which represents their revenue from the illegal exports.

The four defendants were arrested on July 1, 2004, on a Criminal Complaint that resulted from an investigation that began in January 2003 by a multi-agency task force consisting of agents from U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation, and the U.S. Department of Commerce.

The defendants pleaded guilty to illegally exporting items that are used in a wide variety of defense weapons systems, including radar, smart weapons, electronic warfare and communications. According to the Informations that the defendants pleaded guilty to, the illegal exports were destined for entities controlled by the Chinese government.

Among those entities was a Chinese Research Institute that the United States government has identified as posing an unacceptable risk in the development of weapons of mass destruction or missiles used to deliver weapons of mass destruction.

At their plea hearings, the defendants admitted that they used various techniques to conceal their export activities, such as providing false written and verbal statements that purported that the recipient of the restricted items was a United States corporation rather than a government entity of the People's Republic of China, and falsifying shipping documents to conceal the true contents of their shipments to China.

"Our national security depends in part upon protection of U.S. technology, particularly when that technology can be used militarily by other nations," Christie said. "Those who would place profit above national security and the safety of the men and women in our military should not rest easy. We will locate, prosecute and jail those who harm our national interest by exporting sensitive U.S. technology."

The export violations carry a maximum penalty of 10 years in prison and a \$1 million fine. The count of conspiracy to violate the Export Administration Act and the Arms Export Control Act, carries a maximum penalty of five years in prison and a \$250,000 fine.

In determining an actual sentence, Judge Greenaway will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Christie credited Special Agents of the Department of Homeland Security, U.S. Immigration and Customs Enforcement, under the direction of Special Agent in Charge Bill Reid, in Philadelphia; the Federal Bureau of Investigation, under the direction of Special Agent in Charge Leslie Wiser, Jr., in Newark; the U.S. Department of Commerce, Office of Export Enforcement, under the direction of Special Agent in Charge Sidney M. Simon, in New York; and the, with developing the investigation.

The Government is represented by Assistant U.S. Attorneys Judith H. Germano, of the Criminal Division in Newark, and R. Stephen Stigall, of the Criminal Division in Camden.

ICE

U.S. Immigration and Customs Enforcement (ICE) is the largest investigative arm of the Department of Homeland Security (DHS). ICE seeks to prevent acts of terrorism by targeting the people, money and materials that support terror and criminal networks.